

DIEGO A. VERA-COSSIO
Research Department
Inter-American Development Bank - IADB
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CONTACT INFORMATION

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EDUCATION

University of California - San Diego, California, U.S.A.	Ph.D. in Economics, 2018
Universidad de Chile, Santiago, Chile	M.A. with honors, Economics, 2012
Universidad Catolica Boliviana, La Paz, Bolivia	B.A. Economics , 2009

FIELDS OF INTERESTS

Development Economics

Labor Economics

Work experience

Research Economist	IADB - Research Department/Office of the Chief Economist	2018 (current position)
Research Assistant	UCSD (Prof. Craig McIntosh)	2016-2017
Research Assistant	UCSD (Prof. Krislert Samphantharak)	2015-2016
Research Fellow	Inter-American Development Bank (Supervisor: Diether Beuerman)	2012-2013
Research Assistant	Universidad de Chile (Prof. Oscar Landerretche)	2011
Consultant	United Nations Development Program (La Paz, Bolivia)	2009

HONORS AND AWARDS

Award for highest GPA. Department of Economics. Universidad de Chile, 2012

WORKING PAPERS

- “Targeting credit through community members”

Abstract: *Limited information about borrowers may create allocative distortions in credit markets. Community-based lending programs may reduce these distortions by exploiting relevant information available to community members. However, a decentralized approach to allocating credit entails balancing issues of risk, neediness, productivity, and favoritism. This paper analyzes this problem in the context of the Thai Million Baht lending program which decentralizes the allocation of loans to an elected group of community members and provides three main results. First, exploiting three years of pre-program data to characterize the set of potential borrowers in terms of repayment, neediness and total factor productivity (TFP), this paper finds that neither of these dimensions explains program participation. Relative to the allocation achieved by community members, a counterfactual repayment-based criterion would have targeted less risky,*

higher-TFP, but richer entrepreneurs. Second, using socioeconomic networks data, I show that program borrowing is strongly driven by connections to village leaders and is related to lower program profitability, which suggests favoritism. Third, exploiting quasi-experimental variation in the rollout of the program, this paper uncovers evidence that informal credit markets partially compensate for targeting distortions by redirecting credit towards unconnected households, albeit at higher interest rates than those provided by the program. The results highlight the limitations of community-driven approaches to delivering credit, the trade-offs across targeting criteria and the role of markets in attenuating allocative distortions.

- “Dependence or constraints? Labor supply responses from a cash transfer program”

RESEARCH IN PROGRESS

- “Access to credit and productivity: Evidence from Thai villages.” Co-authored with Abhijit Banerjee, Emily Breza and Robert Townsend.
- “Risk-sharing, economic networks and the transmission of shocks.” Co-authored with Krislert Samphantharak and Robert Townsend.

PROFESSIONAL ACTIVITIES

Conference Presentations

- 2018 Pacific Conference in Development Economics (PACDEV), All Bank Conference on Development Economics (ABCDE), Bolivian Conference on Development Economics
- 2017 Western Economic Association International, Midwest International Economic Development Conference (University of Wisconsin, Madison), Annual All California Labor Economics Conference (Poster presentation at SIEPR)
- 2016 LACEA/LAMES, Bolivian Conference on Development Economics
- 2015 LACEA
- 2014 Bolivian Conference on Development Economics.

Referee Service

World Development, Journal of Poverty Alleviation and International Development, Economic Development and Cultural Change, LABOUR

OTHER INFORMATION

Citizenship: Bolivian

Date of birth: September 2, 1986

Languages: Spanish (native), English (proficient)

REFERENCES

Prashant Bharadwaj	UC San Diego	prbharadwaj@ucsd.edu	(858) 822-6760
Craig McIntosh	UC San Diego	ctmcintosh@ucsd.edu	(858) 822-1125
Gordon Dahl	UC San Diego	gdahl@ucsd.edu	(858) 822-0644
Karthik Muralidharan	UC San Diego	kamurali@ucsd.edu	(858) 534-2425
Robert Townsend	MIT	rtownsen@mit.edu	(617) 452-3722